Calendar No. 936

106TH CONGRESS 2D SESSION

S. 1756

[Report No. 106-487]

To enhance the ability of the National Laboratories to meet Department of Energy missions, and for other purposes.

IN THE SENATE OF THE UNITED STATES

OCTOBER 20, 1999

Mr. BINGAMAN (for himself, Mrs. Murray, Mr. Domenici, and Mr. Gorton) introduced the following bill; which was read twice and referred to the Committee on Energy and Natural Resources

October 4 (legislative day, September 22), 2000
Reported by Mr. Murkowski, with an amendment
[Strike out all after the enacting clause and insert the part printed in italic]

A BILL

To enhance the ability of the National Laboratories to meet Department of Energy missions, and for other purposes.

- 1 Be it enacted by the Senate and House of Representa-
- 2 tives of the United States of America in Congress assembled,
- 3 SECTION 1. SHORT TITLE.
- 4 This Act may be cited as the "National Laboratories
- 5 Partnership Improvement Act of 1999."

SEC. 2. FINDINGS.

2	The	Congress	finds	the	following:
<i>_</i>	T 11C	Congress	mus	unc	tonowing.

- (1) The National Laboratories play a crucial role in the Department of Energy's ability to achieve its missions in national security, science, energy, and environment.
 - (2) The National Laboratories must be on the leading edge of advances in science and technology to help the Department to achieve its missions.
 - (3) The private sector is now performing a much larger share of the Nation's research and development activities, and is on the leading edge of many technologies that could be adapted to meet departmental missions.
 - (4) To be able to help the Department to achieve its missions in the most cost effective manner, the National Laboratories must take advantage, to the greatest extent practicable, of the scientific and technological expertise that exists in the private sector, as well as at leading universities, through joint research and development projects, personnel exchanges, and other arrangements.
 - (5) The Department needs to strengthen the regional technology infrastructure of firms, research and academic institutions, non-profit and governmental organizations, and work force around its Na-

1	tional Laboratories to maintain the long-term vital-
2	ity of the laboratories and ensure their continued ac-
3	cess to the widest range of high quality research,
4	technology and personnel.
5	SEC. 3. DEFINITIONS.
6	For purposes of this Act, except for sections 8 and
7	9
8	(1) the term "Department" means the Depart-
9	ment of Energy;
10	(2) the term "departmental mission" means
11	any of the functions vested in the Secretary of En-
12	ergy by the Department of Energy Organization Act
13	(42 U.S.C. 7101 et seq.) or other law;
14	(3) the term "institution of higher education"
15	has the meaning given such term in section 1201(a)
16	of the Higher Education Act of 1965 (20 U.S.C.
17	1141(a));
18	(4) the term "multiprogram National Labora-
19	tory" means any of the following institutions owned
20	by the Department of Energy—
21	(A) Argonne National Laboratory;
22	(B) Brookhaven National Laboratory;
23	(C) Idaho National Engineering and Envi-
24	ronmental Laboratory;

1	(D) Lawrence Berkeley National Labora-
2	tory;
3	(E) Lawrence Livermore National Labora-
4	tory;
5	(F) Los Alamos National Laboratory;
6	(G) Oak Ridge National Laboratory;
7	(H) Pacific Northwest National Labora-
8	tory;
9	(I) Sandia National Laboratory;
10	(5) the term "National Laboratory or facility"
11	means any of the multiprogram National Labora-
12	tories or any of the following institutions owned by
13	the Department of Energy—
14	(A) Ames Laboratory;
15	(B) East Tennessee Technology Park;
16	(C) Environmental Measurement Labora-
17	tory;
18	(D) Federal Energy Technology Center;
19	(E) Fermi National Accelerator Labora-
20	tory;
21	(F) National Renewable Energy Labora-
22	tory;
23	(G) Nevada Test Site;
24	(H) Princeton Plasma Physics Laboratory;
25	(I) Savannah River Technology Center;

1	(J) Stanford Linear Accelerator Center;
2	(K) Thomas Jefferson National Accel-
3	erator Facility;
4	(L) Waste Isolation Pilot Plant; or
5	(M) other similar organization of the De-
6	partment designated by the Secretary that en-
7	gages in technology transfer activities;
8	(6) the term "nonprofit institution" has the
9	meaning given such term in section 4 of the Steven-
10	son-Wydler Technology Innovation Act of 1980 (15
11	U.S.C. 3703(5));
12	(7) the term "Secretary" means the Secretary
13	of Energy;
14	(8) the term "small business concern" has the
15	meaning given such term in section 3 of the Small
16	Business Act (15 U.S.C. 632);
17	(9) the term "technology-related business con-
18	eern" means a for-profit corporation, company, asso-
19	ciation, firm, partnership, or small business concern
20	that—
21	(A) conducts scientific or engineering re-
22	search,
23	(B) develops new technologies,
24	(C) manufactures products based on new
25	technologies, or

1	(D) performs technological services; and
2	(10) the term "technology cluster" means a ge-
3	ographic concentration of—
4	(A) technology-related business concerns;
5	(B) institutions of higher education; or
6	(C) other nonprofit institutions;
7	that reinforce each other's performance through for-
8	mal or informal relationships.
9	SEC. 4. REGIONAL TECHNOLOGY INFRASTRUCTURE PRO-
10	CRAM.
11	(a) Establishment.—The Secretary shall establish
12	a Regional Technology Infrastructure Program in accord-
13	ance with this section.
14	(b) Purpose.—The purpose of the program shall be
15	to improve the ability of National Laboratories or facilities
16	to support departmental missions by—
17	(1) stimulating the development of technology
18	clusters in the vicinity of National Laboratories or
19	facilities;
20	(2) improving the ability of National Labora-
21	tories or facilities to leverage commercial research,
22	technology, products, processes, and services; and
23	(3) encouraging the exchange of scientific and
24	technological expertise between National Labora-
25	tories or facilities and—

1	(A) institutions of higher education,
2	(B) technology-related business concerns,
3	(C) nonprofit institutions, and
4	(D) agencies of State, tribal, or local
5	governments—
6	that are located in the vicinity of a National Labora-
7	tory or facility.
8	(e) Program Phases.—The Secretary shall conduct
9	the Regional Technology Infrastructure Program in two
10	phases as follows:
11	(1) PILOT PHASE.—No later than six months
12	after the date of enactment of this Act, the Sec-
13	retary shall provide \$1,000,000 to each of the multi-
14	program National Laboratories to conduct Regional
15	Technology Infrastructure Program pilots.
16	(2) Full implementation.—Not later than
17	eighteen months after the date of enactment of this
18	Act, the Secretary shall expand or alter the Regional
19	Technology Infrastructure Program to include
20	whichever National Laboratories or facilities the
21	Secretary determines to be appropriate based upon
22	the experience of the program to date and the extent
23	to which the pilot projects under paragraph (1) met
24	the requirements of subsections (e) and (f).

1	(d) Projects.—The Secretary shall authorize the di-
2	rector of each National Laboratory or facility designated
3	under subsection (e) to implement the Regional Tech-
4	nology Infrastructure Program at such National Labora-
5	tory or facility through projects that meet the require-
6	ments of subsections (e) and (f).
7	(e) Program Requirements.—Each project funded
8	under this program shall meet the following requirements:
9	(1) MINIMUM PARTICIPANTS.—Each project
10	shall at a minimum include—
11	(A) a National Laboratory or facility;
12	(B) a business located within the vicinity
13	of the participating National Laboratory or fa-
14	cility; and
15	(C) one or more of the following entities
16	that is located within the vicinity of the partici-
17	pating National Laboratory or facility—
18	(i) an institution of higher education,
19	(ii) a nonprofit institution,
20	(iii) an agency of a State, local, or
21	tribal government, or
22	(iv) an additional business.
23	(2) Cost sharing.—
24	(A) MINIMUM AMOUNT.—Not less than 50
25	percent of the costs of each project funded

1	under this section shall be provided from non-
2	Federal sources.
3	(B) QUALIFIED FUNDING AND RE-
4	SOURCES.—
5	(i) The calculation of costs paid by
6	the non-Federal sources to a project shall
7	include cash, personnel, services, equip-
8	ment, and other resources expended on the
9	project.
10	(ii) Independent research and develop-
11	ment expenses of Government contractors
12	that qualify for reimbursement under sec-
13	tion 31–205–18(e) of the Federal Acquisi-
14	tion Regulations issued pursuant to section
15	25(e)(1) of the Office of Federal Procure-
16	ment Policy Act (41 U.S.C. 421(e)(1))
17	may be eredited towards costs paid by non-
18	Federal sources to a project, if the ex-
19	penses meet the other requirements of this
20	section.
21	(iii) No funds or other resources ex-
22	pended either before the start of a project
23	under this program or outside the project's
24	scope of work shall be credited toward the

1	costs paid by the non-Federal sources to
2	the project.
3	(3) Competitive selection.—All projects
4	where a party other than the Department or a Na-
5	tional Laboratory or facility receives funding under
6	this program shall be competitively selected using
7	procedures determined to be appropriate by the Sec-
8	retary.
9	(4) Accounting standards. Any partici-
10	pants receiving funding under this program, other
11	than a National Laboratory or facility, may use gen-
12	erally accepted accounting principles for maintaining
13	accounts, books, and records relating to the project.
14	(5) Limitations.—No Federal funds shall be
15	made available under this program for—
16	(A) construction; or
17	(B) any project for more than five years.
18	(f) Criteria.—
19	(1) Mandatory criteria.—The Secretary
20	shall not authorize the provision of Federal funds
21	for a project under this section unless there is a de-
22	termination by the Director of the National Labora-
23	tory or facility managing the project that the project
24	is likely—

1	(A) to succeed, based on its technical
2	merit, team members, management approach
3	resources, and project plan; and
4	(B) to improve the participating National
5	Laboratory or facility's ability to achieve tech-
6	nical success in meeting departmental missions
7	promote the commercial development of techno-
8	logical innovations made at such Laboratory or
9	facility, and use commercial innovations to
10	achieve its missions.
11	(2) Additional Criteria.—The Secretary
12	shall also require the consideration of the following
13	factors by the Director of the National Laboratory
14	or facility managing projects under this section in
15	providing Federal funds to projects under this
16	section—
17	(A) the potential of the project to promote
18	the development of a commercially sustainable
19	technology cluster, one that will derive most of
20	the demand for its products or services from
21	the private sector, in the vicinity of the partici-
22	pating National Laboratory or facility;
23	(B) the commitment shown by non-Federa
24	organizations to the project, based primarily or

1	the nature and amount of the financial and
2	other resources they will risk on the project;
3	(C) the extent to which the project involves
4	a wide variety and number of institutions of
5	higher education, nonprofit institutions, and
6	technology-related business concerns located in
7	the vicinity of the participating National Lab-
8	oratory or facility that will make substantive
9	contributions to achieving the goals of the
10	project;
11	(D) the extent of participation in the
12	project by agencies of State, tribal, or local gov-
13	ernments that will make substantive contribu-
14	tions to achieving the goals of the project;
15	(E) the extent to which the project focuses
16	on promoting the development of technology-re-
17	lated business concerns that are small business
18	concerns located in the vicinity of the National
19	Laboratory or facility or involves such small
20	business concerns substantively in the project.
21	(3) SAVINGS CLAUSE. Nothing in this sub-
22	section shall limit the Secretary from requiring the
23	consideration of other factors, as appropriate, in de-

termining whether to fund projects under this sec-

tion.

24

1 SEC. 5. SMALL BUSINESS ADVOCACY AND ASSISTANCE.

2	(a) ADVOCACY FUNCTION.—The Secretary shall di-
3	rect the Director of each multiprogram National Labora-
4	tory, and may direct the Director of each other National
5	Laboratory or facility the Secretary determines to be ap-
6	propriate, to establish a small business advocacy function
7	that is organizationally independent of the procurement
8	function at the National Laboratory or facility. The mis-
9	sion of the small business advocacy function shall be to
10	increase the participation of small business concerns, par-
11	ticularly those small business concerns located near the
12	laboratory and small business concerns that are owned by
13	women or minorities, in procurements and collaborative
14	research conducted by the National Laboratory or facility.
15	The person or office vested with the small business advo-
16	eacy function shall—
17	(1) report to the Director of the National Lab-
18	oratory or facility on the actual participation of
19	small business concerns in procurements and col-
20	laborative research along with recommendations, if
21	appropriate, on how to improve participation;
22	(2) make available to small business concerns
23	training, mentoring, and clear, up-to-date informa-
24	tion on how to participate in the procurements and
25	collaborative research, including how to submit effec-
26	tive proposals;

1	(3) increase the awareness inside the National
2	Laboratory or facility of the capabilities and oppor-
3	tunities presented by small business concerns; and
4	(4) establish guidelines for the program under
5	subsection (b) and report on the effectiveness of
6	such program to the Director of the National Lab-
7	oratory or facility.
8	(b) Establishment of Small Business Assist-
9	ANCE PROGRAM.—The Secretary shall direct the Director
10	of each multiprogram National Laboratory, and may di-
11	rect the Director of each other National Laboratory or fa-
12	cility the Secretary determines to be appropriate, to estab-
13	lish a program to provide small business concerns—
14	(1) assistance directed at making them more ef-
15	feetive and efficient subcontractors or suppliers to
16	the National Laboratory or facility; or
17	(2) general technical assistance to improve the
18	small business concern's products or services.
19	(e) USE OF FUNDS.—None of the funds expended on
20	a program under subsection (b) may be used for direct
21	grants to the small business concerns.
22	SEC. 6. TECHNOLOGY PARTNERSHIPS OMBUDSMAN.
23	(a) Appointment of Ombudsman.—The Secretary
24	shall direct the Director of each multiprogram National
25	Laboratory, and may direct the Director of each other Na-

1	tional Laboratory or facility the Secretary determines to	
2	be appropriate, to appoint a technology partnership om-	
3	budsman to hear and help resolve complaints from outside	
4	organizations regarding each laboratory's policies and ac-	
5	tions with respect to technology partnerships (including	
6	cooperative research and development agreements), pat-	
7	ents, and technology licensing. Each ombudsman shall—	
8	(1) be a senior official of the National Labora-	
9	tory or facility who is not involved in day-to-day	
10	technology partnerships, patents, or technology li-	
11	censing; and	
12	(2) report to the Director of the National Lab-	
13	oratory or facility.	
14	(b) Duties.—Each ombudsman shall—	
15	(1) serve as the focal point for assisting the	
16	public and industry in resolving complaints and dis-	
17	putes with the laboratory regarding technology part-	
18	nerships, patents, and technology licensing;	
19	(2) promote the use of collaborative alternative	
20	dispute resolution techniques such as mediation to	
21	facilitate the speedy and low-cost resolution of com-	
22	plaints and disputes, when appropriate; and	
23	(3) report, through the Director of the National	
24	Laboratory or facility, to the Department annually	
25	on the number and nature of complaints and dis-	

- 1 putes raised, along with the ombudsman's assess-
- 2 ment of their resolution, consistent with the protec-
- 3 tion of confidential and sensitive information.

4 SEC. 7. MOBILITY OF TECHNICAL PERSONNEL.

- 5 (a) GENERAL POLICY.—Not later than two years
- 6 after the enactment of this Act, the Secretary shall ensure
- 7 that each contractor operating a National Laboratory or
- 8 facility has policies and procedures, including an employee
- 9 benefits program, that do not create disincentives to the
- 10 transfer of scientific and technical personnel among the
- 11 contractor-operated National Laboratory or facilities.
- 12 (b) EXTENSION.—The Secretary may delay imple-
- 13 mentation of the policy in subsection (a) if the Secretary—
- 14 (1) determines that the implementation of the
- 15 policy within two years would be unnecessarily ex-
- 16 pensive or disruptive to the operations of the con-
- 17 tractor-operated National Laboratory or facilities;
- 18 and
- 19 (2) recommends to Congress alternative meas-
- 20 ures to increase the mobility of technical personnel
- 21 among the contractor-operated National Laboratory
- 22 or facilities.
- 23 (e) STUDY OF WIDER MOBILITY.—Not later than
- 24 two years after the enactment of this Act, the Secretary
- 25 shall recommend to Congress legislation to reduce any

- 1 undue disincentives to scientific and technical personnel
- 2 employed by a contractor-operated National Laboratory or
- 3 facility taking a job with an institution of higher edu-
- 4 cation, nonprofit institution, or technology-related busi-
- 5 ness concern that is located in the vicinity of the National
- 6 Laboratory or facility.

7 SEC. 8. OTHER TRANSACTIONS AUTHORITY.

- 8 Section 646 of the Department of Energy Organiza-
- 9 tion Act (42 U.S.C. 7256) is amended by adding at the
- 10 end the following new subsection:
- 11 $\frac{\text{"(g)(1)}}{\text{In addition to other authorities granted to the}}$
- 12 Secretary to enter into procurement contracts, leases, co-
- 13 operative agreements, grants, and other similar arrange-
- 14 ments, the Secretary may enter into other transactions
- 15 with public agencies, private organizations, or persons on
- 16 such terms as the Secretary may deem appropriate in fur-
- 17 therance of functions now or hereafter vested in the Sec-
- 18 retary, including research, development, or demonstration
- 19 projects. Such other transactions shall not be subject to
- 20 the provisions of section 9 of the Federal Nonnuclear En-
- 21 ergy Research and Development Act of 1974 (42 U.S.C.
- 22 5908).
- 23 "(2)(A) The Secretary shall not disclose any trade
- 24 secret or commercial or financial information submitted

- 1 by a non-Federal entity under paragraph (1) that is privi-
- 2 leged and confidential.
- 3 "(B) The Secretary shall not disclose, for five years
- 4 after the date the information is received, any other infor-
- 5 mation submitted by a non-Federal entity under para-
- 6 graph (1), including any proposal, proposal abstract, docu-
- 7 ment supporting a proposal, business plan, or technical
- 8 information that is privileged and confidential.
- 9 "(C) The Secretary may protect from disclosure, for
- 10 up to five years, any information developed pursuant to
- 11 a transaction under paragraph (1) that would be protected
- 12 from disclosure under section 552(b)(4) of title 5, United
- 13 States Code, if obtained from a person other than a Fed-
- 14 eral agency.".
- 15 SEC. 9. AMENDMENTS TO THE STEVENSON-WYDLER ACT.
- 16 (a) STRATEGIC PLANS.—Section 12(a) of the Steven-
- 17 son-Wydler Technology Innovation Act of 1980 (15 U.S.C.
- 18 3710a(a)) is amended by inserting after "joint work state-
- 19 ment" the following: "or, if permitted by the agency, in
- 20 an agency-approved annual strategic plan.".
- 21 (b) FEDERAL WAIVERS.—Subsection 12(b) of the
- 22 Stevenson-Wydler Technology Innovation Act of 1980 (15)
- 23 U.S.C. 3710a(b)) is amended by adding at the end the
- 24 following:

1	"(6) The director of a government-operated lab-
2	oratory (in the case of a Government operated lab-
3	oratory) or a designated official of the agency (in
4	the case of a contractor-operated laboratory) may
5	waive any license retained by the Government under
6	paragraphs (1)(A), 2, or 3(D) in whole or in part
7	and according to negotiated terms and conditions if
8	the director or designated official, as appropriate,
9	finds that the requirement for the license would sub-
10	stantially inhibit the commercialization of an inven-
11	tion that would otherwise serve an important Fed-
12	eral mission.".
13	(e) Time Required for Approval.—Section
14	12(e)(5) of the Stevenson-Wydler Technology Innovation
15	Act of 1980 (15 U.S.C. 3710a(e)(5)) is amended—
16	(1) by striking subparagraph (C);
17	(2) by redesignating subparagraph (D) as sub-
18	paragraph (C);
19	(3) by striking "with a small business firm"
20	and inserting "if" after "statement" in subpara-
21	graph (C)(i) (as redesignated); and
22	(4) by adding after subparagraph (C)(iii) (as
23	redesignated) the following:
24	"(iv) Any agency that has contracted
25	with a non-Federal entity to operate a lab-

1	oratory may develop and provide to such
2	laboratory one or more model cooperative
3	research and development agreements, for
4	the purposes of standardizing practices
5	and procedures, resolving common legal
6	issues, and enabling review of cooperative
7	research and development agreements to
8	be carried out in a routine and prompt
9	manner.
10	"(v) A federal agency may waive the
11	requirements of clause (i) or (ii) under
12	such circumstances as the agency deems
13	appropriate. However, the agency may not
14	take longer than 30 days to review and ap-
15	prove, request modifications to, or dis-
16	approve any proposed agreement or joint
17	work statement that it elects to receive.".
18	SECTION 1. SHORT TITLE.
19	This Act may be cited as the "National Laboratories
20	Partnership Improvement Act of 2000".
21	SEC. 2. DEFINITIONS.
22	For purposes of this Act—
23	(1) the term "Department" means the Depart-
24	$ment\ of\ Energy;$

1	(2) the term "departmental mission" means any
2	of the functions vested in the Secretary of Energy by
3	the Department of Energy Organization Act (42
4	U.S.C. 7101 et seq.) or other law;
5	(3) the term "institution of higher education"
6	has the meaning given such term in section 1201(a)
7	of the Higher Education Act of 1965 (20 U.S.C.
8	1141(a));
9	(4) the term "National Laboratory" means any
10	of the following institutions owned by the Department
11	of Energy—
12	(A) Argonne National Laboratory;
13	(B) Brookhaven National Laboratory;
14	(C) Idaho National Engineering and Envi-
15	$ronmental\ Laboratory;$
16	(D) Lawrence Berkeley National Labora-
17	tory;
18	(E) Lawrence Livermore National Labora-
19	tory;
20	$(F)\ Los\ Alamos\ National\ Laboratory;$
21	(G) National Renewable Energy Labora-
22	tory;
23	(H) Oak Ridge National Laboratory;
24	(I) Pacific Northwest National Laboratory;
25	αr

1	$(J)\ Sandia\ National\ Laboratory;$
2	(5) the term "facility" means any of the fol-
3	lowing institutions owned by the Department of
4	Energy—
5	$(A)\ Ames\ Laboratory;$
6	(B) East Tennessee Technology Park;
7	(C) Environmental Measurement Labora-
8	tory;
9	(D) Fermi National Accelerator Laboratory;
10	(E) Kansas City Plant;
11	(F) National Energy Technology Labora-
12	tory;
13	(G) Nevada Test Site;
14	(H) Princeton Plasma Physics Laboratory;
15	(I) Savannah River Technology Center;
16	(J) Stanford Linear Accelerator Center;
17	(K) Thomas Jefferson National Accelerator
18	Facility;
19	(L) Waste Isolation Pilot Plant;
20	(M) Y-12 facility at Oak Ridge National
21	$Laboratory;\ or$
22	(N) other similar organization of the De-
23	partment designated by the Secretary that en-
24	gages in technology transfer, partnering, or li-
25	censing activities;

1	(6) the term "nonprofit institution" has the
2	meaning given such term in section 4 of the Steven-
3	son-Wydler Technology Innovation Act of 1980 (15
4	$U.S.C.\ 3703(5));$
5	(7) the term "Secretary" means the Secretary of
6	Energy;
7	(8) the term "small business concern" has the
8	meaning given such term in section 3 of the Small
9	Business Act (15 U.S.C. 632);
10	(9) the term "technology-related business con-
11	cern" means a for-profit corporation, company, asso-
12	ciation, firm, partnership, or small business concern
13	that—
14	(A) conducts scientific or engineering re-
15	search,
16	(B) develops new technologies,
17	(C) manufacturers products based on new
18	technologies, or
19	(D) performs technological services;
20	(10) the term "technology cluster" means a con-
21	centration of—
22	(A) technology-related business concerns;
23	(B) institution of higher education; or
24	(C) other nonprofit institutions,

1	that reinforce each other's performance through for-	
2	$mal\ or\ informal\ relationships;$	
3	(11) the term "socially and economically di	
4	advantaged small business concerns" has the meaning	
5	given such term in section 8(a)(4) of the Small Busi-	
6	ness Act (15 U.S.C. $637(a)(4)$); and	
7	(12) the term "NNSA" means the National Nu-	
8	clear Security Administration established by Title	
9	XXXII of National Defense Authorization Act for Fis-	
10	cal Year 2000 (Public Law 106–65).	
11	SEC. 3. TECHNOLOGY INFRASTRUCTURE PILOT PROGRAM.	
12	(a) Establishment.—The Secretary, through the ap-	
13	propriate officials of the Department, shall establish a Tech	
14	nology Infrastructure Pilot Program in accordance with	
15	this section.	
16	(b) Purpose.—The purpose of the program shall be	
17	to improve the ability of National Laboratories or facilities	
18	to support departmental missions by—	
19	(1) stimulating the development of technology	
20	clusters that can support the missions of the National	
21	$Laboratories\ or\ facilities;$	
22	(2) improving the ability of National Labora-	
23	tories or facilities to leverage and benefit from com-	
24	mercial research, technology, products, processes, and	
25	services; and	

1	(3) encouraging the exchange of scientific and
2	technological expertise between National Laboratories
3	or facilities and—
4	(A) institutions of higher education,
5	(B) technology-related business concerns,
6	(C) nonprofit institutions, and
7	(D) agencies of State, tribal, or local gov-
8	ernments,
9	that can support the missions of the National Labora-
10	tories and facilities.
11	(c) Pilot Program.—In each of the first three fiscal
12	years after the date of enactment of this section, the Sec-
13	retary may provide no more than \$10,000,000, divided
14	equally, among no more than ten National Laboratories or
15	$facilities\ selected\ by\ the\ Secretary\ to\ conduct\ Technology\ In-$
16	frastructure Program Pilot Programs.
17	(d) Projects.—The Secretary shall authorize the Di-
18	rector of each National Laboratory or facility designated
19	under subsection (c) to implement the Technology Infra-
20	structure Pilot Program at such National Laboratory or fa-
21	cility through projects that meet the requirements of sub-
22	sections (e) and (f).
23	(e) Program Requirements.—Each project funded
24	under this section shall meet the following requirements:

1	(1) Minimum participants.—Each project shall
2	at a minimum include—
3	(A) a National Laboratory of facility; and
4	(B) one of the following entities—
5	(i) a business,
6	(ii) an institution of higher education,
7	(iii) a nonprofit institution, or
8	(iv) an agency of a State, local, or
9	$tribal\ government.$
10	(2) Cost sharing.—
11	(A) Minimum amount.—Not less than 50
12	percent of the costs of each project funded under
13	this section shall be provided from non-Federal
14	sources.
15	(B) Qualified funding and re-
16	SOURCES.—
17	(i) The calculation of costs paid by the
18	non-Federal sources to a project shall in-
19	clude cash, personnel, services, equipment,
20	and other resources expended on the project.
21	(ii) Independent research and develop-
22	ment expenses of government contractors
23	that qualify for reimbursement under sec-
24	tion 31–205–18(e) of the Federal Acquisi-
25	tion Regulations issued pursuant to section

- 1 25(c)(1) of the Office of Federal Procure-2 ment Policy Act (41 U.S.C. 421(c)(1)) may 3 be credited towards costs paid by non-Fed-4 eral sources to a project, if the expenses 5 meet the other requirements of this section. 6 (iii) No funds or other resources ex-
 - (iii) No funds or other resources expended either before the start of a project under this section or outside the project's scope of work shall be credited toward the costs paid by the non-Federal sources to the project.
 - (3) Competitive selection.—All projects where a party other than the Department or a National Laboratory or facility receives funding under this section shall, to the extent practicable, be competitively selected by the National Laboratory or facility using procedures determined to be appropriate by the Secretary or his designee.
 - (4) Accounting standards.—Any participant receiving funding under this section, other than a National Laboratory or facility, may use generally accepted accounting principles for maintaining accounts, books, and records relating to the project.
 - (5) Limitations.—No Federal funds shall be made available under this section for—

7

8

9

10

11

12

13

14

15

16

17

18

19

20

21

22

23

24

1	(A) construction; or
2	(B) any project for more than five years.
3	(f) Selection Criteria.—
4	(1) Threshold funding criteria.—The Sec-
5	retary shall authorize the provision of Federal funds
6	for projects under this section only when the Director
7	of the National Laboratory or facility managing such
8	a project determines that the project is likely to im-
9	prove the participating National Laboratory or facili-
10	ty's ability to achieve technical success in meeting de-
11	partmental missions.
12	(2) Additional Criteria.—The Secretary shall
13	also require the Director of the National Laboratory
14	or facility managing a project under this section to
15	consider the following criteria in selecting a project to
16	receive federal funds—
17	(A) the potential of the project to succeed,
18	based on its technical merit, team members,
19	management approach, resources, and project
20	plan;
21	(B) to potential of the project to promote
22	the development of a commercially sustainable
23	technology cluster, one that will derive most of
24	the demand for its products or services from the
25	private sector, that can support the missions of

1	the participating National Laboratory or facil-
2	ity;
3	(C) the potential of the project to promote

- (C) the potential of the project to promote the use of commercial research, technology, products, processes, and services by the participating National Laboratory or facility to achieve its departmental mission or the commercial development of technological innovations made at the participating National Laboratory or facility;
- (D) the commitment shown by non-Federal organizations to the project, based primarily on the nature and amount of the financial and other resources they will risk on the project;
- (E) the extent to which the project involves a wide variety and number of institutions of higher education, nonprofit institutions, and technology-related business concerns that can support the missions of the participating National Laboratory or facility and that will make substantive contributions to achieving the goals of the project;
- (F) the extent of participation in the project by agencies of State, tribal, or local governments that will make substantive contributions to achieving the goals of the project; and

4

5

6

7

8

9

10

11

12

13

14

15

16

17

18

19

20

21

22

23

24

- 1 (G) the extent to which the project focuses 2 on promoting the development of technology-re-3 lated business concerns that are small business 4 concerns or involves such small business concerns 5 substantively in the project.
- 6 (3) SAVINGS CLAUSE.—Nothing in this sub-7 section shall limit the Secretary from requiring the 8 consideration of other criteria, as appropriate, in de-9 termining whether projects should be funded under 10 this section.
- 11 (g) Report to Congress on Full Implementa-12 TION.—Not later than 120 days after the start of the third fiscal year after the date of enactment of this section, the Secretary shall report to Congress on whether the Tech-14 15 nology Infrastructure Program should be continued beyond the pilot stage, and, if so, how the fully implemented program should be managed. This report shall take into consideration the results of the pilot program to date the views of the relevant Directors of the National laboratories and 19 facilities. The report shall include any proposals for legislation considered necessary by the Secretary to fully imple-

23 SEC. 4. SMALL BUSINESS ADVOCACY AND ASSISTANCE.

24 (a) ADVOCACY FUNCTION.—The Secretary shall direct 25 the Director of each National Laboratory, and may direct

ment the program.

- 1 the Director of each facility the Secretary determines to be
- 2 appropriate, to establish a small business advocacy function
- 3 that is organizationally independent of the procurement
- 4 function at the National Laboratory or facility. The person
- 5 or office vested with the small business advocacy function
- 6 shall—

13

14

15

16

17

18

19

20

21

22

23

24

- 7 (1) work to increase the participation of small
 8 business concerns, including socially and economi9 cally disadvantaged small business concerns, in pro10 curements, collaborative research, technology licens11 ing, and technology transfer activities conducted by
 12 the National Laboratory or facility;
 - (2) report to the Director of the National Laboratory or facility on the actual participation of small business concerns in procurements and collaborative research along with recommendations, if appropriate, on how to improve participation;
 - (3) make available to small business concerns training, mentoring, and clear, up-to-date information on how to participate in the procurements and collaborative research, including how to submit effective proposals;
 - (4) increase the awareness inside the National Laboratory or facility of the capabilities and opportunities presented by small business concerns, and

- 1 (5) establish guidelines for the program under 2 subsection (b) and report on the effectiveness of such 3 program to the Director of the National Laboratory 4 or facility.
- 5 (b) Establishment of Small Business Assist-
- 6 ANCE PROGRAM.—The Secretary shall direct the Director
- 7 of each National Laboratory, and may direct the Director
- 8 of each facility the Secretary determines to be appropriate,
- 9 to establish a program to provide small business concerns—
- 10 (1) assistance directed at making them more ef-11 fective and efficient subcontractors or suppliers to the
- National Laboratory or facility; or

 (2) general technical assistance, th
- 13 (2) general technical assistance, the cost of which 14 shall not exceed \$10,000 per instance of assistance, to 15 improve the small business concern's products or serv-
- 16 ices.
- 17 (c) Use of Funds.—None of the funds expended
- 18 under subsection (b) may be used for direct grants to the
- 19 small business concerns.
- 20 SEC. 5. TECHNOLOGY PARTNERSHIPS OMBUDSMAN.
- 21 (a) Appointment of Ombudsman.—The Secretary
- 22 shall direct the Director of each National Laboratory, and
- 23 may direct the Director of each facility the Secretary deter-
- 24 mines to be appropriate, to appoint a technology partner-
- 25 ship ombudsman to hear and help resolve complaints from

1	outside organizations regarding each laboratory's policies
2	and actions with respect to technology partnerships (includ-
3	ing cooperative research and development agreements), pat-
4	ents, and technology licensing. Each ombudsman shall—
5	(1) be a senior official of the National Labora-
6	tory or facility who is not involved in day-to-day
7	technology partnerships, patents, or technology licens-
8	ing, or, if appointed from outside the laboratory,
9	function as such a senior official; and
10	(2) have direct access to the Director of the Na-
11	tional Laboratory or facility.
12	(b) Duties.—Each ombudsman shall—
13	(1) serve as the focal point for assisting the pub-
14	lic and industry in resolving complaints and disputes
15	with the laboratory regarding technology partner-
16	ships, patents, and technology licensing;
17	(2) promote the use of collaborative alternative
18	dispute resolution techniques such as mediation to fa-
19	cilitate the speedy and low-cost resolution of com-
20	plaints and disputes, when appropriate; and
21	(3) report, through the Director of the National
22	Laboratory or facility, to the Department annually
23	on the number and nature of complaints and disputes
24	raised, along with ombudsman's assessment of their

1	resolution, consistent with the protection of confiden-
2	tial and sensitive information.
3	(c) Dual Appointment.—A person vested with the
4	small business advocacy function of section 4 may also serve
5	as the technology partnership ombudsman.
6	SEC. 6. STUDIES RELATED TO IMPROVING MISSION EFFEC-
7	TIVENESS, PARTNERSHIPS, AND TECH-
8	NOLOGY TRANSFER AT NATIONAL LABORA-
9	TORIES.
10	(a) Studies.—The Secretary shall direct the Labora-
11	tory Operations Board to study and report to him, not later
12	than one year after the date of enactment of this section,
13	on the following topics.
14	(1) the possible benefits from the need for policies
15	and procedures to facilitate the transfer of scientific,
16	technical, and professional personnel among National
17	Laboratories and facilities; and
18	(2) the possible benefits from and need for
19	changes in—
20	(A) the indemnification requirements for
21	patents or other intellectual property licensed
22	from a National Laboratory or facility;
23	(B) the royalty and fee schedules and types
24	of compensation that may be used for patents or
25	other intellectual property licensed to a small

1	business concern from a National Laboratory or
2	facility;
3	(C) the licensing procedures and require-
4	ments for patents and other intellectual property;
5	(D) the rights given to small business con-
6	cern that has licensed a patent or other intellec-
7	tual property from a National Laboratory or fa-
8	cility to bring suit against third parties infring-
9	ing such intellectual property;
10	(E) the advance funding requirements for
11	small business concern funding a project at a
12	National Laboratory or facility through a
13	Funds-In-Agreement;
14	(F) the intellectual property rights allocated
15	to a business when it is funding a project at a
16	National Laboratory or facility through a
17	Funds-In-Agreement; and
18	(G) policies on royalty payments to inven-
19	tors employed by a contractor-operated National
20	Laboratory or facility, including those for inven-
21	tions made under a Funds-In-Agreement.
22	(b) DEFINITION.—For the purposes of this section, the
23	term "Funds-In-Agreement" means a contract between the
24	Department and a non-Federal organization where that or-

- 1 ganization pays the Department to provide a service or ma-
- 2 terial not otherwise available in the domestic private sector.
- 3 (c) Report to Congress.—Not later than one month
- 4 after receiving the report under subsection (a), the Secretary
- 5 transmit the report, along with this recommendations for
- 6 action and proposals for legislation to implement the rec-
- 7 ommendations, to Congress.
- 8 SEC. 7. OTHER TRANSACTIONS AUTHORITY.
- 9 (a) New Authority.—Section 646 of the Department
- 10 of Energy Organization Act (42 U.S.C. 7256) is amended
- 11 by adding at the end the following new subsection:
- 12 "(g) Other Transactions Authority.—(1) In ad-
- 13 dition to other authorities granted to the Secretary to enter
- 14 into procurement contracts, leases, cooperative agreements,
- 15 grants, and other similar arrangements, the Secretary may
- 16 enter into other transactions with public agencies, private
- 17 organizations, or persons on such terms as the Secretary
- 18 may deem appropriate in furtherance of basic, applied, and
- 19 advanced research functions now or hereafter vested in the
- 20 Secretary. Such other transactions shall not be subject to
- 21 the provisions of section 9 of the Federal Nonnuclear En-
- 22 ergy Research and Development Act of 1974 (42 U.S.C.
- 23 5908).
- 24 "(2)(A) The Secretary of Energy shall ensure that—

- 1 "(i) to the maximum extent practicable, no 2 transaction entered into under paragraph (1) pro-3 vides for research that duplicates research being con-4 ducted under existing programs carried out by the
- 5 Department of Energy; and
- "(ii) to the extent that the Secretary determines
 practicable, the funds provided by the Government
 under a transaction authorized by paragraph (1) do
 not exceed the total amount provided by other parties
 to the transaction.
- 11 "(B) A transaction authorized by paragraph (1) may
- 12 be used for a research project when the use of a standard
- 13 contract, grant, or cooperative agreement for such project
- 14 is not feasible or appropriate.
- 15 "(3)(A) The Secretary shall not disclose any trade se-
- 16 cret or commercial or financial information submitted by
- 17 a non-Federal entity under paragraph (1) that is privileged
- 18 and confidential.
- 19 "(B) The Secretary shall not disclose, for five years
- 20 after the date the information is received, any other infor-
- 21 mation submitted by a non-Federal entity under paragraph
- 22 (1), including any proposal, proposal abstract, document
- 23 supporting a proposal, business plan, or technical informa-
- 24 tion that is privileged and confidential.

- 1 "(C) The Secretary may protect from disclosure, for
- 2 up to five years, any information developed pursuant to
- 3 a transaction under paragraph (1) that would be protected
- 4 from disclosure under section 552(b)(4) of title 5, United
- 5 States Code, if obtained from a person other than a Federal
- 6 agency.".
- 7 (b) Implementation.—Not later than six months
- 8 after the date of enactment of this section, the Department
- 9 shall establish guidelines for the use of other transactions.
- 10 Other transactions shall be made available, if needed, in
- 11 order to implement projects funded under section 3.
- 12 SEC. 8. CONFORMANCE WITH NNSA ORGANIZATIONAL
- 13 STRUCTURE.
- 14 All actions taken by the Secretary in carrying out this
- 15 Act with respect to National Laboratories and facilities that
- 16 are part of the NNSA shall be through the Administrator
- 17 for Nuclear Security in accordance with the requirements
- 18 of Title XXXII of National Defense Authorization Act of
- 19 *Fiscal Year* 2000.
- 20 SEC. 9. COOPERATIVE RESEARCH AND DEVELOPMENT
- 21 AGREEMENTS FOR GOVERNMENT-OWNED,
- 22 CONTRACTOR-OPERATED LABORATORIES.
- 23 (a) Strategic Plans.—Subsection (a) of section 12
- 24 of the Stevenson-Wydler Technology Innovation Act of 1980
- 25 (15 U.S.C. 3710a) is amended by striking "joint work state-

- 1 ment," and inserting "joint work statement or, if permitted
- 2 by the agency, in an agency-approved annual strategic
- 3 *plan*,".
- 4 (b) Experimental Federal Waivers.—Subsection
- 5 (b) of that section is amended by adding at the end the
- 6 following new paragraph:
- 7 "(6)(A) In the case of a Department of Energy
- 8 laboratory, a designated official of the Department of
- 9 Energy may waive any license retained by the Gov-
- 10 ernment under paragraph (1)(A), (2), or (3)(D), in
- 11 whole or in part and according to negotiated terms
- and conditions, if the designated official finds that
- the retention of the license by the Department of En-
- 14 ergy would substantially inhibit the commercializa-
- 15 tion of an invention that would otherwise serve an
- 16 important federal mission.
- 17 "(B) The authority to grant a waiver under sub-
- paragraph (A) shall expire on the date that is 5 years
- 19 after the date of the enactment of the National Defense
- 20 Authorization Act for Fiscal Year 2001.
- 21 "(C) The expiration under subparagraph (B) of
- 22 authority to grant a waiver under subparagraph (A)
- 23 shall not effect any waiver granted under subpara-
- 24 graph (A) before the expiration of such authority.".

1	(c) Time Required for Approval.—Subsection
2	(c)(5) of that section is amended—
3	(1) by striking subparagraph (C);
4	(2) by redesignating subparagraph (D) as sub-
5	paragraph (C); and
6	(3) in subparagraph (C) as so redesignated—
7	(A) in clause (i)—
8	(i) by striking "with a small business
9	firm"; and
10	(ii) by inserting "if" after "state-
11	ment"; and
12	(B) by adding at the end the following new
13	clauses:
14	"(iv) Any agency that has contracted
15	with a non-Federal entity to operate a lab-
16	oratory may develop and provide to such
17	laboratory one or more model cooperative
18	research and development agreements, for
19	the purposes of standardizing practices and
20	procedures, resolving common legal issues,
21	and enabling review of cooperative research
22	and development agreements to be carried
23	out in a routine and prompt manner.
24	"(v) A Federal agency may waive the
25	requirements of clause (i) or (ii) under such

1	circumstances as the agency considers ap-
2	propriate. However, the agency may not
3	take longer than 30 days to review and ap-
4	prove, request modifications to, or dis-
5	approve any proposed agreement or joint
6	work statement that it elects to receive.".
7	SEC. 10. COOPERATIVE RESEARCH AND DEVELOPMENT OF
8	THE NATIONAL NUCLEAR SECURITY ADMINIS-
9	TRATION.
10	(a) Objective for Obligation of Funds.—It shall
11	$be\ an\ objective\ of\ the\ Administrator\ of\ the\ National\ Nuclear$
12	Security Administration to obligate funds for cooperative
13	research and development agreements (as that term is de-
14	fined in section $12(d)(1)$ of the Stevenson-Wydler Tech-
15	nology Innovation Act of 1980 (15 U.S.C. 3710a(d)(1))),
16	or similar cooperative, cost-shared research partnerships
17	with non-Federal organizations, in a fiscal year covered by
18	subsection (b) in an amount at least equal to the percentage
19	of the total amount appropriated for the Administration
20	for such fiscal year that is specified for such fiscal year
21	under subsection (b).
22	(b) Fiscal Year Percentages.—The percentages of
23	funds appropriated for the National Nuclear Security Ad-
24	ministration that are obligated in accordance with the ob-
25	jective under subsection (a) are as follows:

- 1 (1) In each of fiscal years 2001 and 2002, 0.5 2 percent.
- 3 (2) In any fiscal year after fiscal year 2002, the 4 percentage recommend by the Administrator for each
- 5 such fiscal year in the report under subsection (c).
- 6 (c) RECOMMENDITIONS FOR PERCENTAGES IN LATER
- 7 Fiscal Years.—Not later than one year after the date of
- 8 the enactment of this Act, the Administrator shall submit
- 9 to the congressional defense committees a report setting
- 10 forth the Administrator's recommendations for appropriate
- 11 percentages of funds appropriated for the National Nuclear
- 12 Security Administration to be obligated for agreements de-
- 13 scribed in subsection (a) during each fiscal year covered by
- 14 the report.
- 15 (d) Consistency of Agreements.—Any agreement
- 16 entered into under this section shall be consistent with and
- 17 in support of the mission of the National Nuclear Security
- 18 Administration.
- 19 (e) Reports on Achievement of Objective.—(1)
- 20 Not later than March 30, 2002, and each year thereafter,
- 21 the Administrator shall submit to the congressional defense
- 22 committees a report on whether funds of the National Nu-
- 23 clear Security Administration were obligated in the fiscal
- 24 year ending in the preceding year in accordance with the
- 25 objective for such fiscal year under this section.

1	(2) If funds were not obligated in a fiscal year in ac-
2	cordance with the objective under this section for such fiscal
3	year, the report under paragraph (1) shall—
4	(A) describe the actions the Administrator pro-
5	poses to take to ensure that the objective under this
6	section for the current fiscal year and future fiscal
7	years will be met; and
8	(B) include any recommendations for legislation
9	required to achieve such actions.

Calendar No. 936

 $^{\tiny 106\text{TH CONGRESS}}_{\tiny 2D \text{ Session}} \text{ S. } 1756$

[Report No. 106-487]

A BILL

To enhance the ability of the National Laboratories to meet Department of Energy missions, and for other purposes.

OCTOBER 4 (legislative day, SEPTEMBER 22), 2000 Reported with an amendment